



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO

TREASURER AND TAX COLLECTOR

May 11, 2010

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE AMENDMENT NUMBER THREE TO AGREEMENT
NUMBER 74507 WITH CORE BUSINESS TECHNOLOGIES FOR CONTINUED
LICENSING, MAINTENANCE, AND SUPPORT
FOR THE AUTOMATED CASHIERING SYSTEM
(ALL DISTRICTS - 3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATIONS ()
DISAPPROVE ()**

SUBJECT

The Treasurer and Tax Collector (TTC) is recommending approval of Amendment Number Three to Agreement Number 74507 (Agreement) with CORE Business Technologies (CORE) to extend the current term of the automated cashiering system contract for two (2) years with two (2) optional renewal years.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair to sign the attached Amendment Number Three to Agreement Number 74507 with CORE to extend the Agreement for two (2) years through June 9, 2012, with two (2) optional one (1) year renewal periods for a total of four (4) years for the continued licensing, maintenance, support, and provision of professional services for TTC's automated cashiering system, commencing on June 10, 2010, or the date of Board approval, whichever is later.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

TTC's automated cashiering system processes over 226,000 payment transactions annually, which includes 55,000 cash and 126,000 check and money order transactions. The stand-alone system located at the Kenneth Hahn Hall of Administration utilizes technology that includes hardware (such as servers, workstations, and peripherals) for twelve (12) cashier window stations, one (1) vault cashier station, five (5) back area office workstations, and two (2) remote workstations in Lancaster, software and ongoing maintenance and support. In addition, the automated cashiering system provides image capture to facilitate research of payments, online lookup to permit the processing of payments for customers that do not have a remittance stub and to process credit card payments where authorized.

TTC has exercised its second and final optional renewal year with CORE, which is set to expire on June 9, 2010. A term extension through 2012 with two (2) optional one (1) year renewals is requested as re-soliciting for a new/replacement system and a new contractor during these lean budgetary times would not be cost effective. Procuring a different contractor to provide the requisite licensing, maintenance, and support of the cashiering system would be cost prohibitive and would require a considerable amount of analysis and development time to identify and replicate the current system's functionality to ensure the necessary compatibility with the existing software and hardware. A new contractor, unfamiliar with TTC's business operations and requirements, would experience an extensive learning curve with the setup and integration into the current automated cashiering system, while potentially impacting TTC's current operation.

Approval of the recommended Amendment will allow TTC to continue to maintain and support the current automated cashiering system until June 9, 2012, with two (2) optional one (1) year renewals. In addition, the term extension will facilitate the implementation of a credit card module to the existing automated cashiering system to allow future acceptance of credit card payments at the TTC cashiering workstations.

Furthermore, funds to be utilized during this term extension will be covered under existing authority in the Agreement with CORE. Additional funding authority is not requested from your Board. In negotiating this Amendment, CORE was requested to consider further reductions per the Board's contract extensions/cost reductions initiative; however, CORE was not able to reduce costs beyond the levels proposed. Approval of the recommended Amendment will be a cost effective means of continuing maintenance and support services on the automated cashiering system as the total cost of \$96,627 for the extended four (4) year term is comparable to the cost levels in the current agreement (\$107,000).

Implementation of Strategic Plan Goals

The approval of the recommended Amendment is consistent with the County's Strategic Plan in the area of Goal 1, Operational Effectiveness and Strategy 2, Service Excellence and Organizational Effectiveness. The recommended Amendment provides for ongoing maintenance and support of the automated cashiering system, which supports mandated operations of the TTC.

FISCAL IMPACT/FINANCING

There will be no additional fiscal impact on current services as expenditures will be covered with funds available and authorized under the Agreement's maximum agreement sum. Funding for this Agreement has already been included in the 2010-2011 Adopted Budget, and will be included in TTC's budget requests for subsequent fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the County's competitive procurement process, a Request for Proposals (RFP) for the provision of an automated cashiering system was released on October 7, 2002. Upon evaluation of the proposals submitted, CORE was selected and recommended for a contract award, which was approved by your Board on June 10, 2003, for a five-year term with an option to extend the term for two (2) additional years. TTC has exercised its final option renewal year, which is due to expire on June 9, 2010. Your Board's approval of the recommended action will authorize TTC to amend the Agreement to extend the term for two (2) additional years through 2012 with two (2) optional one (1) year renewals for continued licensing, maintenance, support, and provision of professional services on the hardware and software of the automated cashiering system.

The recommended Amendment (Attachment I) contains new required provisions pertaining to compliance with the County's defaulted property tax reduction program and termination for breach of warranty to maintain compliance with the County's defaulted property tax reduction program.

The County's Chief Information Officer concurs with the Department's recommendation (see attached analysis, Attachment II), and the attached agreement has been reviewed and approved as to form by County Counsel.

In addition, attached for your information is the required Sole Source Contract Checklist (Attachment III), identifying and justifying the need for the agreement with CORE. The Sole Source Checklist has been approved by the Chief Executive Office.

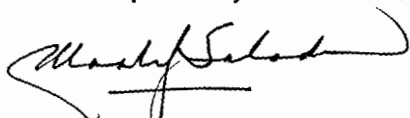
IMPACT ON CURRENT SERVICES

There is no impact on current services. Approval of the recommended Amendment will ensure uninterrupted software and hardware maintenance, licensing, support, and provision of professional services for the automated cashiering system.

CONCLUSION

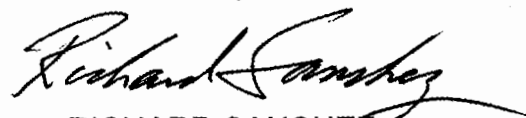
Instruct the Executive Officer-Clerk of the Board to return two (2) signed originals of Amendment Number Three and one (1) adopted stamped Board letter to TTC.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

Reviewed by:



RICHARD SANCHEZ
Chief Information Officer

MJS:WMH:HK

Attachments

c: Chief Executive Officer
County Counsel

**AMENDMENT NUMBER THREE
TO AGREEMENT NO. 74507 FOR MAINTENANCE AND SUPPORT
OF THE AUTOMATED CASHIERING SYSTEM**

This Amendment No. Three, dated as of _____, 2010 (hereinafter together with all Exhibits, Schedules, and Attachments hereto, "Amendment No. 3") to the Agreement (as defined below) is entered into by and between the County of Los Angeles (hereinafter "County") and CORE Business Technologies, a Rhode Island corporation (hereinafter "Contractor"), and is effective as of the Amendment No. 3 Effective Date (as defined below) based on the following recitals:

WHEREAS, County and Contractor have entered into that certain Agreement No. 74507, dated as of June 10, 2003 (together with all Exhibits, Schedules and Attachments thereto, all as amended from time to time, hereinafter "Agreement") for an Automated Cashiering System (hereinafter "ACS") which supports the Los Angeles County Treasurer and Tax Collector (hereinafter "TTC") mandated operations of collecting secured and unsecured property taxes. Initial capitalized terms used in this Amendment No. 3 without definition have the meanings given to such terms in the Agreement;

WHEREAS, County and Contractor entered into Amendment No. 1 to the Agreement dated as of August 17, 2004, for the substitution of the source code escrow agent under the Agreement;

WHEREAS, County and Contractor entered into Amendment No. 2 to the Agreement dated as of March 4, 2008, that, among other things described therein, increased the Maximum Agreement Sum from \$489,175 to \$522,838 to accommodate the purchase of three (3) additional workstations including system hardware, software, and maintenance and support, and delegated authority to TTC to increase or decrease the Maximum Agreement Sum by up to 15% annually to accommodate technological advances, any increase or decrease in equipment, software and/or maintenance, or necessary professional services as further described in Amendment No. 2;

WHEREAS, County and Contractor, in accordance with authority delegated under Agreement No. 2, entered into subsequent Change Notices for administration and/or professional services such that the current Maximum Agreement Sum is \$795,170;

WHEREAS, County and Contractor desire to amend the Agreement to extend the current term of the Agreement for the continued maintenance and support of the applicable ACS hardware and software, exercising as needed options to increase the Maximum Agreement Sum over the extended term as authorized under Amendment No. 2, and make such other changes described herein, all as further described in, and subject to the terms and conditions of, this Amendment No. 3.

NOW, THEREFORE, in consideration of the foregoing recitals, all of which are incorporated, as part of this Amendment No. 3, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Contractor hereby agree as follows:

1. Amendment No. 3 Effective Date. This Amendment No. 3 shall be effective as of June 10, 2010, or the date first set forth above, whichever is later, and has been

executed by an authorized officer of Contractor and has been approved by County's Board of Supervisors.

2. Section 1.0 (Applicable Documents). Amend the Agreement to revise Section 1.0 (Applicable Documents) as follows:

- a. Restate Subsection 1.1 in its entirety as follows:

1.1 This base document, along with Exhibits A, B, C, D, E, F, and I, as described in Subsection 1.2.1 below, and attached hereto, along with Exhibits G and H, described below but not attached hereto, are all incorporated herein by reference, and collectively form, and are throughout and hereinafter referred to as, the "Agreement."

- b. Amend Subsection 1.2 to add a new Subsection 1.2.10 in the proper numerical order as follows:

1.2.10 Exhibit I – Defaulted Property Tax Reduction Program Ordinance

3. Section 7.0 (Term). Amend the Agreement to restate Section 7.0 (Term) in its entirety as follows:

7.0 TERM

- 7.1 This Agreement shall go into effect upon the Effective Date, as defined in Subsection 2.8, and shall expire at the close of County business on June 9, 2012, unless sooner terminated or later extended, in whole or in part, as provided herein.

- 7.2 The County shall have the irrevocable option, in its sole discretion, to extend the term of this Agreement for up to a maximum of two (2) additional years beyond its initial term, in one (1) year increments. This option may be exercised by the County, by and through County's Project Director. To exercise the County's option, the County's Project director shall provide to Contractor's Project Director, no later than sixty (60) days prior to the expiration of the Agreement or any extension period, written Notice of the County's intention to extend.

- 7.3 Contractor shall notify TTC when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written Notice to TTC at the address herein provided in Section 41.0 (Notices).

4. Section 8.0 (Agreement Sum). Amend the Agreement to restate Section 8.0 (Agreement Sum) in its entirety with the following:

8.0 AGREEMENT SUM

- 8.1 General

Notwithstanding any other provision of this Agreement, whether expressly or by implication, the Maximum Agreement Sum authorized by County hereunder shall

not exceed a total of Seven Hundred Ninety-five Thousand, One Hundred Seventy Dollars (\$795,170), which is throughout and hereinafter referred to as the "Maximum Agreement Sum."

5. New Section 60.0 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program). Amend the Agreement to add Section 60.0, "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" as follows:

60.0 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance with Los Angeles County Code Chapter 2.206 (attached as Exhibit I).

6. New Section 61.0 (Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program). Amend the Agreement to add Section 61.0, "Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program" as follows:

61.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Section 60.0 "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

7. New Exhibit I (Defaulted Property Tax Reduction Program Ordinance). Amend the Agreement to add Exhibit I, "Defaulted Property Tax Reduction Program Ordinance."
8. Appendix D (Schedule of Payments). Amend Exhibit A (Statement of Work), Appendix D (Schedule of Payments) to the Agreement to delete page 2 in its entirety and to replace it with the new pages 2 and 3. The new pages are designated at the top as "Revised under Amendment No. 3."
9. Appendix E.2 (Schedule of System Maintenance – System Hardware and Software). Amend Exhibit A (Statement of Work), Appendix E (Schedule of System Maintenance – System Hardware and Software) to the Agreement by adding Appendix E.2 (Revised Schedule of System Maintenance – System Hardware and Software).

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and the seal of such Board to be affixed and attested by the Executive Officer, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, as of the Amendment No. 3 Effective Date.

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

CONTRACTOR
CORE Business Technologies

By _____
Signature
Mark Cohen
Print Name
President
Title

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
Of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: _____
Deputy County Counsel

Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 2.206.010 Findings and declarations.
- 2.206.020 Definitions.
- 2.206.030 Applicability.
- 2.206.040 Required solicitation and contract language.
- 2.206.050 Administration and compliance certification.
- 2.206.060 Exclusions/Exemptions.
- 2.206.070 Enforcement and remedies.
- 2.206.080 Severability.

2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such

instructions may provide for the delegation of functions to other departments.

B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.

A. This chapter shall not apply to the following contracts:

1. Chief Executive Office delegated authority agreements under \$50,000;
2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
3. A purchase made through a state or federal contract;
4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
7. Program agreements that utilize Board of Supervisors' discretionary funds;
8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.

B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.070 Enforcement and remedies.

A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.

B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.

C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:

1. Recommend to the Board of Supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)

Schedule of Payments

Deliverable 7.1	(Intentionally Omitted)	N/A
Deliverable 7.2	(Intentionally Omitted)	N/A
Deliverable 8.1	Site Set-up	\$-0-
Deliverable 8.2	Order, Install, and Test System Hardware	\$-0-
Deliverable 8.3	Trained County Technical Staff	\$-0-
Deliverable 8.4	User Documentation and System Hardware Manuals	\$-0-
Deliverable 8.5	Trained County End User Staff	\$-0-
Deliverable 8.6	Installed, Operable and System Tested Software for the System Hardware	\$-0-
Deliverable 8.7	Successful User Testing	\$-0-
Deliverable 8.8	System Cutover to Production Use	\$48,954
Deliverable 8.9	Production Use of System for 90 Consecutive Days with No Deficiencies	\$48,954
Subtotal Deliverables		\$244,770
System Hardware (Payment due upon delivery)		\$97,840
Other Professional Services (program modification)		\$20,000
Travel (not to exceed)		\$20,000
Maintenance Service – Hardware		\$43,070
Maintenance Service – Software		\$63,495
Subtotal		<u>\$489,175</u>
Amendment One		
I. Substitution in Escrow Agent		\$0.00
Amendment Two		
I. Provision of System hardware, application Software, licenses and maintenance for three (3) additional workstations.		\$33,663
Subtotal		<u>\$522,838</u>
Change Notice One		\$78,425
I. Increased contract sum by 15% to exercise first option renewal year and professional services in accordance with Section 6.3 of Contract.		
Subtotal		<u>\$601,263</u>

Exhibit A -- Statement of Work
Appendix D
Revised Under Amendment No. 3

Change Notice Two	\$0.00
I. Change in County Administration (no change in Agreement Sum)	
Change Notice Three	\$0.00
I. Purchase of two (2) Journal Validation printers (no change in Agreement Sum)	
Change Notice Four	\$0.00
I. Term renewal and revised Appendix E, Schedule of System Maintenance – System Hardware and Software (no change in Agreement Sum)	
Change Notice Five	\$90,189
I. Increased contract sum by 15% for maintenance/professional services, technological advances (e.g., credit card module) in accordance with Amendment No. 2, Subsection 6.2.	
Subtotal	<u>\$691,452</u>
Change Notice Six	\$103,718
I. Increased contract sum by 15% for maintenance/professional services, technological advances (e.g., credit card module) in accordance with Amendment No. 2, Subsection 6.2.	
GRAND TOTAL AGREEMENT SUM	<u>\$795,170</u>

SCHEDULE OF SYSTEM MAINTENANCE – SYSTEM HARDWARE

ITEM NO.	PART NO.	DESCRIPTION	QTY	UNIT COST	TOTAL FIXED PRICE
1		Journal/Validation Printer with document imaging, MICR reader, electronic journal (8 th Year)	3	\$420.00	\$1,260.00
2		5133 OCR Scanner (8 th Year)	3	\$99.00	\$297.00
3		PC MAINTENANCE 5YR ONSITE 9X5 NBD EVO TOWER (8 th Year)	3	\$260.00	\$780.00
4		5133 OCR Scanner (9 th Year)	3	\$99.00	\$297.00
5		PC MAINTENANCE 5YR ONSITE 9X5 NBD EVO TOWER (9 th Year)	3	\$260.00	\$780.00
6		Journal/Validation Printer with document imaging, MICR reader, electronic journal (8 th Year)	2	\$420.00	\$840.00
7		5133 OCR Scanner (10 th Year)	3	\$99.00	\$297.00
8		PC MAINTENANCE 5YR ONSITE 9X5 NBD EVO TOWER (10 th Year)	3	\$260.00	\$780.00
Subtotal – Items 1-6 – Amended Contract Amount					\$4,254.00
Subtotal – Items 7-8 – Option Renewal #1, Year 10					\$1,077.00
9.25% Sales Tax					
Total Fixed Price -					\$5,331.00

SCHEDULE OF SYSTEM MAINTENANCE – SYSTEM SOFTWARE

ITEM NO.	PART NO.	DESCRIPTION	QTY	UNIT COST	TOTAL FIXED PRICE
1		One-Step Annual License Fee (8 th Year) – 20 workstations	1	\$20,000.00	\$20,000.00
2		PC Charge Server Annual Support (8 th Year)	1	\$199.00	\$199.00
3		One-Step Annual License Fee (9 th Year) – 20 workstations	1	\$21,000.00	\$21,000.00
4		PC Charge Server Annual Support (9 th Year)	1	\$199.00	\$199.00
5		Standard Transaction Type Solution (STTS) Annual License/Support (9 th Year)	1	\$2,500.00	\$2,500.00
6		One-Step Annual License Fee (10 th Year) – 20 workstations	1	\$21,000.00	\$21,000.00
7		PC Charge Server Annual Support (10 th Year)	1	\$199.00	\$199.00
8		STTS Annual License/Support (10 th Option Year)	1	\$2,500.00	\$2,500.00
9		One-Step Annual License Fee (11 th Year) – 20 workstations	1	\$21,000.00	\$21,000.00
10		PC Charge Server Annual Support (11 th Year)	1	\$199.00	\$199.00
11		STTS Annual License/Support (11 th Year)		\$2,500.00	\$2,500.00
Subtotal – Items 1-5 - Amended Contract Amount					\$43,898.00
Subtotal – Items 6-8 – Option Renewal #1, Year 10					\$23,699.00
Subtotal – Items 9-11 – Option Renewal #2, Year 11					\$23,699.00
9.25% Sales Tax					
Total Fixed Price -					\$91,296.00

CIO ANALYSIS

AMENDMENT NUMBER THREE TO AGREEMENT NUMBER 74507 WITH CORE BUSINESS TECHNOLOGIES FOR CONTINUED LICENSING, MAINTENANCE AND SUPPORT FOR THE AUTOMATED CASHIERING SYSTEM

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☒ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 2 Yrs # of Option Yrs 2

Contract Components:

☒ Software ☐ Hardware ☐ Telecommunications
☐ Professional Services

Project Executive Sponsor: Mark J. Saladino

Budget Information :

Contract To Date Expenditures	\$698,543 (including \$116,537, which will be part of Change Notice 8)
Requested Contract Amount	\$96,627
Aggregate Contract Amount	\$795,170

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved?

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT standards?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Treasurer & Tax Collector (TTC) is requesting Board approval of Amendment Number Three to Agreement Number 74507 with CORE Business Technologies (CORE) for continued licensing, maintenance and support for the automated cashiering system. The Amendment be effective on June 10, 2010 for two years with two (2) one-year extensions and will increase the maximum contract sum by \$96,627 to \$795,170, if both optional extensions are exercised.

Background:

On June 10, 2003, the Board approved an Agreement with CORE for a maximum contract sum of \$489,175 for a five-year term, with an option to extend the term for two additional years. On March 4, 2008, the Board approved Amendment Number Two increasing the maximum contract sum by \$33,663 to \$522,838 to purchase new workstations and software licenses as well as maintenance services. After Amendment Number Three is executed, TTC will execute Change Order No. 8 for \$116,537 to support credit card payments within the CORE System at the cashier's windows.

TTC has exercised its final option renewal year, which will expire on June 9, 2010.

Project Justification/Benefits:

TTC's automated cashiering system, which processes more than 226,000 payment transactions annually, supports 12 cashier window stations, one vault cashier station, five back area office workstations, and two remote workstations in Lancaster. Also, the automated cashiering system provides image capture to facilitate payment research, online payment lookup to permit the processing of payments for customers that do not have their bill and to process credit card payments where authorized.

Based upon discussions with TTC's technical and Cash Management staff, the current system, with planned functional improvements, will continue to meet the Department's needs for the next two to four years. Currently, TTC's Hall of Administration Cashiering Operation can only accept cash and checks through the CORE system. Credit card payments can only be accepted outside of the CORE system, however, if the proposed Amendment is signed, there are plans to add credit card payment functionality to the CORE system within one year. Additionally, TTC plans to explore the option to bar code bills, so they could be printed from the Internet.

Project Metrics:

Because this is an Amendment to an existing Agreement, the metrics on the current maintenance and support Agreement will remain in place. To date, the Department is satisfied with the performance of the vendor.

Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:

Approval of this Amendment will allow TTC to continue to maintain and support the current automated cashiering system until June 9, 2012, with two optional renewals, at which time a replacement system may be considered.

Alternatives Considered:

None. This Amendment extends the existing Agreement for licensing, maintenance and support. Re-soliciting for a replacement system and a new contractor would be cost prohibitive, and require a considerable amount of work to replicate the current system's functionality.

Project Risks:

There are no project risks identified at this time.

Risk Mitigation Measures:

None.

Financial Analysis:

The Amendment maximum contract sum is \$96,627. Funding for the Amendment has already been included in TTC's 2010-11 Adopted Budget and will be included in budget requests for subsequent fiscal years. In negotiating this Amendment, CORE was requested to consider further reductions, but CORE was not able to reduce costs beyond the levels proposed.

CIO Concerns:

None.

CIO Recommendations:

Based on our review of the Board Letter and discussions with the Department, this office recommends approval by the Board.

CIO APPROVAL

Date Received: April 8, 2010

Prepared by: Henry Balta

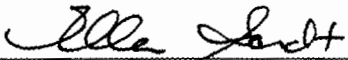
Date: April 20, 2010

Approved: 

Date: 4-28-10

SOLE SOURCE CHECKLIST

Amendment Number Three to the Automated Cashiering System Agreement
With CORE Business Technologies (CORE)

Check (√)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS
	Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
√	➤ It is most cost-effective to obtain services by exercising an option under an existing contract.
√	➤ It is in the best interest of the County e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  Deputy Chief Executive Officer, CEO </div> <div style="text-align: center;"> 4/9/10 Date </div> </div>	